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CIA chief— The ax nears

BY JOSEPH VOLZ

Washington (News Bureau)—William J. Casey, the embattled director of the Central Intelligence Agency, may be forced out of office in the next two or three days, despite his last-ditch effort to persuade President Reagan that he can still function effectively as the nation's top spymaster.

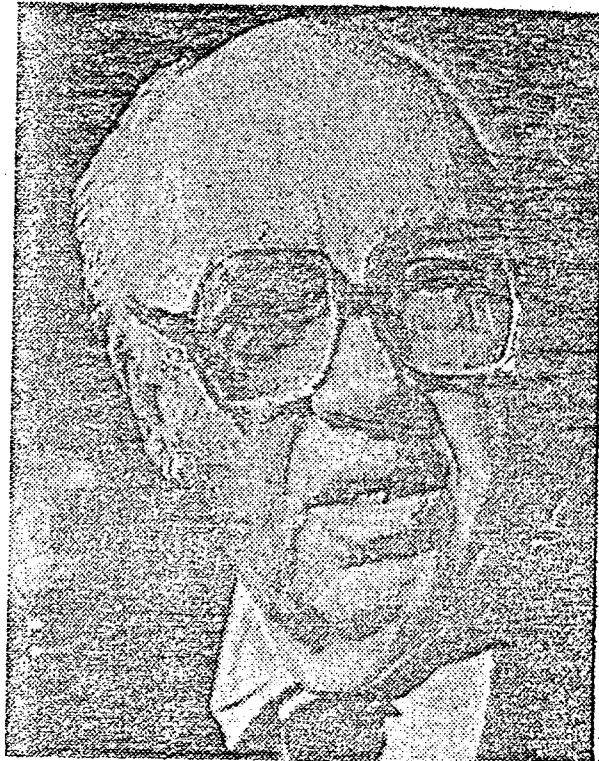
At a White House briefing yesterday, David Gergen, a spokesman for the President, said Reagan believes that Casey "definitely ought to remain on the job" if his only fault was poor judgment in picking the chief of the agency's clandestine services. However, Gergen was quick to add that if there were other charges against Casey—including questions about his tangled financial dealings—then the President would have to review the matter.

The statement was in marked contrast to earlier Reagan statements, in which he pledged unqualified support for Casey. The indications were clear that although Reagan still publicly expressed support for Casey, privately he has decided that Casey's fate is up to the Senate Intelligence Committee, which will hold hearings tomorrow.

White House chief of staff James Baker, in talks with Sen. Barry Goldwater (R-Ariz.), the committee chairman, and others, has been given the clear impression that a majority of panel members wants Casey out. Casey's tangled business relations, his frequent court suits and his withholding of key financial information from the intelligence panel when he was confirmed as CIA director last January have made him more of a liability than an asset, Baker has been told.

An informal Daily News survey indicated that if a vote were held today on Casey, the intelligence panel would vote for ouster. But only the President has the power to get rid of Casey, and he apparently has decided to wait at least until tomorrow, when intelligence panel staffers present their investigative report on Casey to Goldwater and Sen. Daniel Patrick Moynihan (D-N.Y.), the committee's vice chairman.

GOLDWATER, HOWEVER knows the contents of the report and already has called publicly for Casey's departure. Goldwater's opposition to Casey stemmed from the CIA's chief's selection of Max Hugel, a businessman with little experience in the intelligence field, for the highly sensitive job of chief of the agency's clandestine services. Hugel has resigned



AP

William Casey—CIA chief under fire.

Goldwater refused twice Friday to see Casey, and Reagan also was not available to Casey, either in person or on the phone. The White House press office also declined Casey's request to distribute a statement he had written contending he had not misled the intelligence panel, as Goldwater charged.

The key issue in Goldwater's mind appears to be whether or not Casey misled the senate panel investigating his CIA nomination by saying he lost \$150,000 in a defunct New Orleans firm, Multiponics Inc. Goldwater contends that Casey actually earned \$750,000 and failed to tell the panel of the case last January.

And reliable sources said that Goldwater believes that Casey's dealings over the last decade show a broad pattern of misleading would-be investors and changing his testimony when challenged in a series of civil suits.

Goldwater reportedly told Casey on Friday that if the two had been business partners, they no longer would be now. Casey, furious at Goldwater's call for his resignation, called the senator at home at 2:30 a.m. Friday to complain.

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